

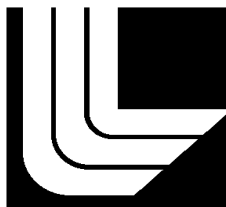


## **APPENDIX F**

### **PROCUREMENT PERFORMANCE MEASURES**

#### **FY2001 FIRST QUARTER REPORT**

### **LAWRENCE LIVERMORE NATIONAL LABORATORY**



**JANUARY 31, 2001**

**Performance Measure 1.1.a – Assessing System Operations**

- Measurement of P&M's performance in self-assessing its purchasing transactions per the system evaluation plan approved September 27, 2000

**Purchase Order & Subcontract Reviews**

- First Quarter Awards 865
- First Quarter Reviews 298
- Percent of Files Reviewed ~32%

**First Quarter Reviews**

**Number of  
Files Reviewed**

- Random Sample Review of Q4 FY00 Transactions 60
- Group Leader Sample Reviews 119
- Group Leader Supervisory Reviews 105
- Contract Review Board and Peer Reviews 14

**Procurement UniCard & Release Transaction Reviews**

- First Quarter UniCard Transactions 18,432
- First Quarter Release Transactions 1,134

**First Quarter Reviews**

- Weekly Reviews of Electronic Data
- Quarterly Random Sample Reviews

<u>No.</u>	<u>Type of Review</u>	<u>Number of Files Reviewed</u>
00-04	FY00 Charge Card Transactions -Unreviewed TRRs	170
00-04R	FY00 Release Transactions-Unreviewed TRRs	16
		186

- Special Reviews of Questionable Transactions 12

**Assessment**

- The reviews indicated that transactional deficiencies were within established parameters for the types of procurements and that the Laboratory's procurements, as a whole, were performed at acceptable compliance and efficiency levels.

**Other Reviews**

Other reviews to be performed during the year:

- Quarterly Reviews
- IUT, ICO, and consultant transactions review
- Optional sample reviews of selected types of transactions

**Performance Measure 1.2.a - Measuring Efficiency**

- Measurement of P&M's operational effectiveness, as reflected by the average cycle time of its procurements and the extent it utilizes alternative procurement approaches/techniques
- Goals and Gradients Standardized in Appendix F

**First Quarter Results - Cycle Time**

<u>Measured</u> Reportable POs and Subcontracts	<u>"Outstanding" Goal</u> < 13 days	<u>Results</u> <b>12.9 days</b>
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- This result is based on the following transaction data:

<u>Type of Transaction</u>	<u>Number</u>	<u>Avg. Cycle Time</u>
Verbal	294	5.7
Supplies < \$100K	203	12.8
Supplies > \$100K	19	46.7
Services < \$100K	291	16.3
Services > \$100K	<u>37</u>	29.0
All	844	12.9

- The total number of transactions is 54 more than for the first quarter of FY00. The average cycle time result is higher than anticipated, so future cycle times will be carefully monitored.

**First Quarter Results - Utilization of Alternative Procurement Approaches/Techniques**

<u>Measured</u> Transactions by P&M vs. Users	<u>"Outstanding" Goal</u> ≥ 93%	<u>Results</u> <b>96.2%</b>
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- This result is based on the following transaction data:

<u>Type</u>	<u>By TRRs</u>	<u>By P&amp;M &amp; TRRs</u>		
PO/Subcontracts		865		
UniCard	18,432	18,432		
Material Requests	2,177	2,177		
Releases	<u>1,134</u>	<u>1,134</u>		
	21,743	÷	22,608	= 96.2%

- This result is as anticipated.

**Performance Measure 1.3.a - Measuring Supplier Performance**

- Measurement of Key Supplier Performance under P&M's Supplier Management Program
- Goals and Gradients Standardized in Appendix F

**Key Suppliers**

- Number of Key Suppliers was adjusted from 68 to 59, for the following reasons:
  - One key fuel supplier was added.
  - Three suppliers were deleted because they were acquired by other key suppliers.
  - Seven suppliers were deleted because their usage had declined considerably.

**Grading of Key Suppliers**

- All "Key Suppliers" were graded during December, per Commercial Procurement Procedure P-1100, *Supplier Management*.
- Grading was based on input from the following user groups, using standard survey questionnaires: End-Users; Accounts Payable; Material Distribution Division; Subcontract Administration Support Section (invoices processing & close-out); and Property Management

**First Quarter Result**

<u>Measured</u>	<u>"Outstanding" Goal</u>	<u>Number Graded</u>	<u>"A" &amp; "B" Suppliers</u>	<u>"C" &amp; "D" Suppliers</u>	<u>Result</u>
Key Supplier Performance	≥85%	59	53	6	<b>89.8%</b>

**Assessment and Planned Activities**

- The average performance score for the key suppliers was 83.4. The 89.8% result is as anticipated for an initial grading of all key suppliers.
- Improvement agreements will be established with Key Suppliers receiving a grade of "C" or less, and they will be regraded during third quarter.

**Performance Measure 1.4.a - Socioeconomic Subcontracting**

- Gradients Standardized in Appendix F
- Goals Mandated by DOE-HQ

**Goals and First Quarter Results**

<b><u>Socioeconomic Base</u></b>	<b><u>P&amp;M</u></b>	<b><u>NIF</u></b>	<b><u>Combined</u></b>
	\$81,262,767	\$23,360,767	\$104,623,534
<b><u>SB Awards</u></b>			<b>46.0% Goal</b>
Actual %	65.7%	38.6%	<b>59.6% Actual</b>
Actual Dollars	\$53,350,421	\$9,012,843	\$62,363,264
Delta			+13.6%
<b><u>SDB Awards</u></b>			<b>12.0% Goal</b>
Actual %	7.6%	1.4%	<b>6.2% Actual</b>
Actual Dollars	\$6,194,804	\$333,312	\$6,528,116
Delta			-5.8%
<b><u>WOSB Awards</u></b>			<b>5.6% Goal</b>
Actual %	7.2%	2.3%	<b>6.1% Actual</b>
Actual Dollars	\$5,833,288	\$542,538	\$6,375,826
Delta			+0.5%
<b><u>HUBZone Awards</u></b>			<b>No Goal</b>
Actual %	.02%	0%	<b>.02% Actual</b>
Actual Dollars	\$19,092	\$0	\$19,092

- The results were better than anticipated. However, the small business awards percentage probably will not be sustained because of the anticipated level of large business spending that will occur later this year under the National Ignition Facility (NIF) infrastructure subcontract.

**PERFORMANCE OBJECTIVE #2 - CUSTOMER SATISFACTION**

**Performance Measure 2.1.a -Customer Satisfaction Index**

- Measurement of overall satisfaction of procurement employees
- Goals and Gradients Standardized in Appendix F
- Measured by use of quarterly surveying process and standardized transaction survey questionnaire approved on September 27, 2000

**First Quarter Results:**

<u>"Outstanding"Goal</u>	<u>Customers Surveyed</u>	<u>Responses Received</u>	<u>Number Satisfied</u>	<u>Percent Satisfied</u>
<u>≥90%</u>	60	34	27	<b>79.4%</b>

- Scoring Methodology:
  - 20 Points Assigned to each of the Four "Yes or No" Questions
  - 0, 5, 10, 15, & 20 Points Assigned to the Five Elements of the Fifth Question.
  - The Maximum Score is 100
  - A Score of 80 or better means the Customer is Satisfied.
- The average score for all of the responses received was 87.2.
- The level of responses received and the percentage satisfied result are lower than anticipated. The raw data will be examined and analyzed to determine our course of action to effect improvement.

**PERFORMANCE OBJECTIVE #3 LEARNING AND GROWTH**

**Performance Measure 3.1.a - Employee Satisfaction Index**

- Measurement of overall satisfaction of procurement employees
- Goals and Gradients Standardized in Appendix F
- Measured by use of surveying process and survey questionnaire approved on September 27, 2000
- Survey to be conducted during the fourth quarter

**Performance Measure 3.2.a - Measuring Availability of Information**

- Measurement of the extent of availability and adequacy of information needed by procurement personnel, per the following formula:

$$\text{Level of Information Availability} = \frac{\text{Number of Information Items Available}}{\text{Number of Information Items Needed}}$$

- Goals and Gradients Standardized in Appendix F, based on weighted results

**First Quarter Result**

	<u>“Outstanding” Goal</u>	<u>Policies and Procedures</u>	<u>Forms</u>	<u>Reports / Lists</u>	<u>Aggregate Result</u>
Weighted Ratio Score	≥94%	92.61%	99.01%	94.30%	<b>96.28%</b>

- This result is based on the following data:

	<u>Policies and Procedures</u>	<u>Forms</u>	<u>Reports / Lists</u>	<u>Aggregate</u>
Raw Needed Total	177	411	146	734
Raw Adequate Total	164	407	137	708
Raw Ratio Score	92.66%	99.03%	93.84%	96.46%
Weighted Needed Score	514	808	158	1480
Weighted Adequate Score	476	800	149	1425

- This result is as anticipated.



**PERFORMANCE OBJECTIVE #4 - MANAGING FINANCIAL ASPECTS**

**Performance Measure 4.1.a - Cost to Spend Ratio**

- Goals and Gradients Standardized in Appendix F

**First Quarter Result**

<u>Measured</u>	<u>"Outstanding" Goal</u>	<u>Result</u>
Core Costs vs. Spending	< 1.7%	1.06%

- Result is Based on the Following Data:

<u>Costs Incurred</u>		<u>Spending Level</u>		<u>Process Cost</u>
\$1.617M	÷	\$151.96M	=	1.06%

- This result is as anticipated.